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Message Text

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66
ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EA-11 EUR-25 NEA-14 RSC-01 IO-14

ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02 COME-00

DODE-00 FPC-01 H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07

OMB-01 PM-07 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00

FEA-02 INRE-00 NSCE-00 SSO-00 OIC-04 USIE-00 PA-04

PRS-01 DRC-01 JUSE-00 /228 W
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O 172222Z JUN 74
FM AMEMBASSY QUITO
TO SECSTATE WASHDC IMMEDIATE 1435
INFO AMEMBASSY BRUSSELS IMMEDIATE
AMEMBASSY LONDON IMMEDIATE
AMEMBASSY PARIS IMMEDIATE
AMCONSUL GUAYAQUIL PRIORITY
USMISSION USUN NEW YORK PRIORITY
AMEMBASSY VIENNA PRIORITY

UNCLAS QUITO 4044

DEPT PASS TO OPEC CAPITALS

BRUSSELS FOR ENDERS

E.O. 11652: N/A
TAGS: OPEC, ENRG
SUBJECT: TEXT OF OPEC CONFERENCE COMMUNIQUE

1. BEGIN TEXT. THE XL MEETING OF THE CONFERENCE OF THE
ORGANIZATION OF THE PETROLEUM EXPORTING COUNTRIES CONVENED FROM THE
15TH TO 17TH JUNE, 1974, IN QUITO, AT THE INVITATION OF THE
ECUADOREAN NATIONALIST AND REVOLUTIONARY GOVERNMENT.

2. HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC OF ECUADOR,
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GENERAL GUILLERMO RODRIGUEZ LARA ADDRESSED THE CONFERENCE AT THE

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INAUGURAL SESSION OF THE MEETING.

3. THE CONFERENCE UNANIMOUSLY ELECTED HE CAPTAIN GUSTAVO JARRIN AMPUDIA, MINISTER OF NATURAL RESOURCES AND ENERGY OF ECUADOR AND HEAD OF ITS DELEGATION, TO BE ITS PRESIDENT.

4. THE COUNTRIES OF BOLIVIA, COLOMBIA, CONGO, PERU, AND TRINIDAD AND TOBAGO ATTENDED THE MEETING OF THE CONFERENCE AS OBSERVERS.

5. THE CONFERENCE DEALT WITH ALL THE ITEMS ON ITS AGENDA IN- INCLUDING A REPORT PREPARED BY THE ECONOMIC COMMISSION BOARD. THE CONFERENCE TOOK NOTE, WITH MUCH CONCERN OF THE CONTINUOUS HIGH RATE OF INFLATION IN THE INDUSTRIALIZED COUNTRIES RESULTING IN THE DETERIORATION OF THE PURCHASING POWER OF THE OIL REVENUE IN MEMBER COUNTRIES.

6. ALTHOUGH THE REPORT OF THE ECONOMIC COMMISSION BOARD MADE REFERENCE TO THE EXCESSIVE PROFIT EARNED BY THE INTERNATIONAL MAJOR COMPANIES AND ALSO ILLUSTRATED THE FACT THAT THE INDUSTRIALIZED COUNTRIES HAD, DURING THE FIRST SIX MONTHS OF 1974, FAILED TO CONTAIN THE ALARMING TREND OF INFLATION WHILE THE LEVEL OF POSTED PRICES WAS KEPT CONSTANT BY THE OPEC MEMBER COUNTRIES, NEVERTHELESS THE CONFERENCE DECIDED TO REFRAIN FROM INCREASING THE POSTED PRICES FOR THE THIRD QUARTER OF THE YEAR ALLOWING THE GOVERNMENTS OF THE INDUSTRIALIZED COUNTRIES ANOTHER OPPORTUNITY TO ADOPT THE NECESSARY MEASURES IN THESE RESPECTS, AND TO URGE THEM TO FULFILL THEIR PART OF THEIR RESPONSIBILITIES AS INDICATED ABOVE.

7. THE CONFERENCE FURTHER TOOK NOTE OF THE FACT THAT THERE IS DISPARITY IN THE RATE OF ROYALTY AMONGSTMEMBER COUNTRIES; THEREFORE, IN THE INTEREST OF UNIFORMITY AND AS A FIRST STEP TOWARDS THIS AIM THE MEMBER COUNTRIES DECIDED TO INCREASE THE RATE OF ROYALTY, WHEREVER APPLICABLE, BY 2 PERCENT OR ALTERNATIVELY INCREASE THE GOVERNMENT TAKE BY AN EQUIVALENT AMOUNT, EFFECTIVE AS OF 1ST JULY, 1974.

8. HOWEVER, FOR THE TIME BEING, SAUDI ARABIA, AWAITING THE OUTCOME OF ITS NEW ARRANGEMENTS WITH THE FOREIGN OWNERS OF ARAMCO,
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SHALL NOT ASSOCIATE ITSELF WITH THE ABOVE-MENTIONED DECISION.

9. THE CONFERENCE ALSO APPROVED THE PROGRESS REPORT OF THE MINISTERIAL COMMITTEE ON THE ENERGY CRISIS.

10. THE CONFERENCE FURTHER APPROVED THE FINANCIAL REPORT FOR 1973, THE AUDITOR'S REPORT, AS WELL AS THE SUPPLEMENTARY BUDGET FOR 1974. MOREOVER, THE CONFERENCE DECIDED TO APPOINT A COMMIT-

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TEE COMPOSED OF SEVEN MEMBER COUNTRIES TO CONSIDER THE CHANGES TO BE INTRODUCED INTO THE STRUCTURE OF THE ORGANIZATION TO COPE WITH ITS REQUIREMENTS AND RESPONSIBILITIES.

11. THE CONFERENCE WELCOMED THE REPRESENTATIVES OF THE NON-ALIGNED COUNTRIES AND LISTENED TO AN EXPOSE MADE BY HE SHRIDATH S. RAMPHAL, MINISTER OF FOREIGN AFFAIRS OF GUYANA, ON BEHALF OF THAT GROUP. IN THIS RESPECT THE CONFERENCE WISHES TO MENTION THAT THE MEMBER COUNTRIES HAVE TAKEN, ON A BILATERAL AND REGIONAL BASIS, VERY SIGNIFICANT MEASURES TO HELP THE DEVELOPING COUNTRIES TO ALLEVIATE THEIR ECONOMIC DIFFICULTIES.

12. MOREOVER, THE CONFERENCE DECIDED THAT A WORKING PARTY COMPOSED OF SIX MEMBER COUNTRIES SHALL BE CONVENED ON THE 5TH AUGUST, 1974, IN ORDER TO FINALIZE THE ARTICLES OF AGREEMENT OF THE OPEC FUND FOR PRESENTATION TO THE CONFERENCE.

13. THE RESOLUTIONS ADOPTED BY THE CONFERENCE WILL BE PUB-LISHED ON THE 16TH JULY, 1974.

14. THE CONFERENCE WISHES TO EXTEND ITS WARMEST AND SINCEREST THANKS TO THE GOVERNMENT OF ECUADOR FOR ITS KIND INVITATION AND GENEROUS HOSPITALITY AS WELL AS FOR THE EXCELLENT ORGANIZATION OF THE PRESENT CONFERENCE AND THE PLEASANT FACILITIES EXTENDED TO ALL THE DELEGATES.

15. THE CONFERENCE DECIDED THAT AN EXTRAORDINARY MEETING OF THE CONFERENCE WILL BE CONVENED IN VIENNA ON THE 12TH SEPTEMBER, 1974, AND THAT THE NEXT ORDINARY MEETING OF THE CONFERENCE SHALL BE CONVENED IN VIENNA ON THE 12TH DECEMBER, 1974. END TEXT.
BREWSTER

NOTE BY OCT: NOT PASSED OPEC CAPITALS
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TAGS: ENRG, OCON, EC, XX, OPEC
To: STATE
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